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SENATE

{ REPORT
104-378

FIRST LADIES WHITE HOUSE ENDOWMENT FUND

SEPTEMBER 30, 1996.—Ordered to be printed

Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 951]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 951) to commemorate the service of First Ladies Jacqueline Kennedy and Patricia Nixon to improving and maintaining the Executive Residence of the President and to authorize grants to the White House Endowment Fund in their memory to continue their work, having considered the same, reports favorably thereon with an amendment and an amendment to the title and recommends that the bill as amended do pass.

The amendments are as follows:

1. Strike out all after the enacting clause and insert in lieu thereof the following:

“SECTION 1. GRANTS TO THE WHITE HOUSE ENDOWMENT FUND.

“Subject to appropriations, the Secretary of the Interior is authorized to make grants totaling not more than \$10,000,000 to the White House Endowment Fund to support the acquisition of objects for, and the preservation of, the public rooms of the White House and its collection of Fine and Decorative Arts; and to serve as a memorial to the Nation’s First Ladies, whose interest and dedication have done so much to preserve and enhance the historic integrity of the White House.”.

2. Amend the title so as to read:

“A bill to commemorate the service of the Nation’s First Ladies to improving and maintaining the Executive Residence of the President and to authorize grants to the White House Endowment Fund in their memory to continue their work.”.

PURPOSE OF THE MEASURE

The purpose of S. 951 is to direct the President of the United States to make grants to the White House Endowment Fund to be used for the preservation and conservation of the public rooms of

the White House and the acquisition of historical objects for the White House collection of fine and decorative American art.

BACKGROUND AND NEED

Over 1.5 million people visit the White House each year. It has been estimated that the public rooms of the White House require a complete refurbishing every eight to ten years.

The White House historic preservation program was initiated by Jacqueline Kennedy in 1961. Mrs. Kennedy initiated the program in order to restore the historic integrity of the public rooms of the White House; to establish a fine and decorative arts collection; and to establish the White House Historical Association to publish and distribute educational materials describing the White House and its history.

Patricia Nixon provided the leadership for the most extensive acquisition of fine and decorative arts in the history of the White House. Her plan for refurbishing the public rooms remains intact after more than twenty years. The fine and decorative arts donated to the White House during the leadership of Mrs. Kennedy and Mrs. Nixon, valued today at tens of millions of dollars, far exceed those received during all other modern Presidential administrations combined.

With the leadership of First Lady Barbara Bush, the White House Endowment Fund was established in 1990 to create a permanent endowment of \$25,000,000 to maintain the public rooms and collection of the White House. As of February, 1996, the combined total of contributions and pledges to the Endowment Fund was \$14,528,548.

S. 951, as amended, would authorize an unrestricted grant of \$10 million, subject to appropriations, to be used for the preservation and conservation of the public rooms of the White House and the acquisition of historical objects for the White House collection of fine and decorative American art. The grant would also commemorate the service of all the Nation's First Ladies and their efforts in improving and maintaining the Executive Residence of the President.

LEGISLATIVE HISTORY

Senator Hutchison introduced S. 951 on June 21, 1995. The Subcommittee on Parks, Recreation and Historic Preservation held a hearing on the bill on April 25, 1996. At the business meeting on June 19, 1996, the Committee on Energy and Natural Resources ordered S. 951 favorably reported, as amended.

COMMITTEE RECOMMENDATION

The Committee on Energy and Natural Resources, in open business session on September 12, 1996, by a unanimous voice vote of a quorum present, recommends that the Senate pass S. 951, if amended as described herein.

COMMITTEE AMENDMENT

During the consideration of S. 951, the Committee adopted an amendment in the nature of a substitute. The amended bill com-

memorates the service of all the Nation's First Ladies and their efforts in improving and maintaining the Executive Residence of the President, and amends the title of the bill to reflect this change. The amended bill eliminates the "Findings" section; revises and clarifies the grant language; and includes a provision to make the authorization subject to appropriation.

SECTION-BY-SECTION ANALYSIS

S. 951 authorizes the Secretary of the Interior to make grants totaling not more than \$10,000,000 to the White House Endowment Fund to be used for the preservation and conservation of the public rooms of the White House and the acquisition of historical objects for the White House collection of fine and decorative art. The funds would serve as a memorial to the Nation's First Ladies and their efforts to enhance and preserve the historic integrity of the White House.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of the cost of this measure has been provided by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 17, 1996.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 951, a bill to commemorate the service of the nation's First Ladies to improving and maintaining the Executive Residence of the President and to authorize grants to the White House Endowment Fund in their memory to continue their work, as ordered reported by the Senate Committee on Energy and Natural Resources on September 12, 1996. Subject to the appropriation of the necessary funds, CBO estimates that S. 951 would increase outlays of the federal government by \$10 million in the year in which it is appropriated. Enacting S951 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 951 would authorize the Secretary of the Interior to make grants totaling up to \$10 million to the White House Endowment Fund, a nonprofit corporation, to assist in the acquiring of objects for and the preserving of the White House. Once the funds are appropriated, the Department of the Interior would transfer the \$10 million to the White House Endowment Fund.

S. 951 contains no private-sector or intergovernmental as defined in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4) and would have no impact on the budgets of state, local, or tribal governments.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is John R. Righter.

Sincerely,

JUNE E. O'NEILL, *Director.*

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 951. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 951, as ordered reported.

EXECUTIVE COMMUNICATIONS

On September 13, 1996, the Committee on Energy and Natural Resources requested legislative reports from the Department of the Interior and the Office of Management and Budget setting forth Executive agency recommendations on S. 951. These reports had not been received at the time the report on S. 951 was filed. When these reports become available, the Chairman will request that they be printed in the Congressional Record for the advice of the Senate. The testimony provided by the Department of the Interior at the Subcommittee hearing follows:

STATEMENT OF DENIS P. GALVIN, ASSOCIATE DIRECTOR FOR
PROFESSIONAL SERVICES, NATIONAL PARK SERVICE, DE-
PARTMENT OF THE INTERIOR

Mr. Chairman, thank you for the opportunity to appear before your committee to testify on S. 951, a bill to commemorate the service of First Ladies Jacqueline Kennedy and Patricia Nixon to improving and maintaining the Executive Residence of the President and to authorize grants to the White House Endowment Fund in their memory to continue their work.

We strongly support the efforts of the White House Historical Association, through the White House Endowment Fund, to raise private funds for the preservation of White House public rooms and historical objects. The Fund provides substantial support for the National Park Service (NPS) mission at the White House and increases the preservation and interpretation of the museum character of the public areas of the White House for the benefit of its 1.5 million annual visitors.

The Association was established in 1961 and has been quite successful without Federal funding. We do not believe that financing this non-profit corporation should now become a Federal responsibility. Consequently, we do not believe that the grants proposed in S. 951 are necessary to complete the endowment.

The White House Endowment Fund was incorporated January 12, 1990, under the laws of the State of Maryland to operate exclusively for charitable, educational, scientific, and literary purposes within the meaning of the Internal Revenue Code. The Internal Revenue Service has deter-

mined that the Endowment Fund is exempt from Federal income tax under IRS Section 501(c)(3).

The Endowment Fund was established for the purpose of raising a \$25 million endowment to provide permanent support of the White House collection of fine art and furnishings and to preserve the historic character of the public museum rooms of the White House.

The Endowment Fund was incorporated as a wholly owned subsidiary of the White House Historical Association. The Association is also a not-for-profit charitable and educational organization, founded in 1961 as a National Park Service cooperating association, for the purpose of enhancing the public's understanding and appreciation of the history of the White House. The board of directors of the Endowment Fund are elected to annual terms by the board of directors of the Association.

As of February 29, 1996, the total contributions and pledges to the Endowment Fund was \$14,524,548. The total amount contributed from revenue by the Endowment Fund to White House projects was \$711,000. In addition, \$428,000 has been set aside for projects in FY 1996. This brings the total amount expended for White House preservation to \$1,139,000 through September, 1996. Operating and management costs in 1995 represented 5% of the total increase in assets in the Endowment Fund during the year.

Two hundred twenty private donors have contributed to the Endowment Fund. There have been 62 corporations, 45 foundations, and 113 individuals. The size of gifts range from \$3 from a young boy attending a White House function to \$1,000,000 each from a foundation and an individual.

In 1995, the restoration of the Blue Room of the White House was the first complete renovation of a state room in the White House totally underwritten by the Endowment Fund. The work included new reproduction wall covering and carpet, gilding and reconditioning of the woodwork, and the conservation of the French Empire furniture purchased and brought to the White House by President Monroe. The Endowment Fund contributed \$355,611 to this historic preservation project.

Requests for funding from the Endowment Fund are made jointly by the White House Chief Usher and White House Curator with the approval of the Committee for the Preservation of the White House. The Chairman and Administrator of the Endowment Fund advise the Curator and Chief Usher each year of the amount of funds available for expenditure, based on the investment income received and a spending policy established by the fund's board of directors.

The Director of the National Park Service serves as Chairman of the Committee for the Preservation of the White House and as an ex officio member of the board of directors of the White House Historical Association. The

Director, therefore, has a role in determining the policies and programs related to the Endowment Fund and can ensure that the highest standards of resources stewardship will be applied to the work funded with the Endowment Fund proceeds.

We support the efforts of the Endowment Fund to raise private donations to provide permanent support of the historic character and interpretation of the museum rooms of the White House, which are open to all visitors to our Nation's Capital. We do not believe, however, that this legislation is necessary.

Mr. Chairman, this concludes my prepared remarks. I would be glad to answer any questions you might have.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill S. 951 as ordered reported.

